

## Message Text

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ACTION EB-08

INFO OCT-01 AF-08 EUR-12 ISO-00 AID-05 CIAE-00 COME-00  
FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03  
SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 FEA-01 /065 W  
-----290134Z 086939 /54

R 281128Z JAN 77

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 8902

INFO AMEMBASSY LONDON 7023

AMEMBASSY NAIROBI

AMCONSUL KADUNA

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PASS TO EXIM

E.O. 11652: N/A

TAGS: EFIN, NI

SUBJECT: FMG OVERSEAS BORROWING

REF: LAGOS 13716

1. EMBOFF DISCUSSED FMG BORROWING REQUIREMENTS TO FINANCE DEVELOPMENT PLANS PROJECT IN UPCOMING NIGERIA FY 1977-78 WITH G. C. ORANIKA, UNDER SECRETARY FOR BILATERAL FUNDING, FEDERAL MIN FINANCE. ORANIKA SAID QUESTION OF INCREASED BORROWING FROM OVERSEAS SOURCES STILL SUBJECT OF DEBATE WITHIN FMG, BUT LIKELY THAT NIGERIAN WOULD ATTEMPT TO BORROW SIGNIFICANT AMOUNTS FROM TRADITIONAL MULTILATERAL AND BILATERAL SOURCES, E.G. WORLD BANK AND U.S. EXQORT-IMPORT BANK.

2; WHEN ASKED TO SPECIFIC MAGNITUDE OF REQUESTS, ORANIKA STATED THAT MIN FINANCE IS REVIEWING MOST LARGE SCALE PROJECTS IN DEVELOPMENT PLAN WHICH WILL BE CATEGORIZED BY PREFERRED AND LIKELY SOURCES OF FINANCING. REVIEW SHOULD BE FINISHED IN FEW  
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WEEKS. NOTE: COMMISSIONER MIN FINANCE EKUKINAM ESTIMATED PER REFTEL FMG MIGHT BORROW \$3 BILLION OVERSEAS.

3. ON SUBJECT OF BORROWING FROM PRIVATE OVERSEAS CAPITAL MARKET, ORANIKA ADMITTED THAT FMG HAS UNDERTAKEN EXPLORATORY REPEAT EXPLORATORY TALKS WITH SOME BANKS (UNIDENTIFIED). HE EMPHASIZED THAT TALKS SO FAR HAVE BEEN

ONLY AN INFORMATION GATHERING EXERCISE TO DETERMINE  
DESIRABILITY OF FMG USING PRIVATE OVERSEAS CAPITAL MARKET  
AS SOURCE OF FUNDS, AS OPPOSED TO CONTINUED RELIANCE ON  
DOMESTIC RESOURCES. NOTE: ACCORDING TO U.S. BANKER HERE  
NO U.S. OR OTHER BANK BASED IN LAGOS HAS BEEN CONSULTED.

4. ASKED IF BILATERAL AND MULTILATERAL LENDING INSTITUTIONS  
WOULD RECEIVE FMG REQUESTS SOON, ORANIKA ANSWERED "YES,  
PROBABLY BY THE END OF FEBRUARY. HE ADDED THAT THE TIMING  
OF PRIVATE BANK FUNDING, IF THE BANKS WERE USED, WAS STILL UP  
IN AIR, BUT ADMITTED THAT MIN FINANCE WAS UNDER PRESSURE TO  
PRODUCE A COMPREHENSIVE FINANCE PACKAGE, INCLUDING A DECISION  
GLN PRIVATE OVERSEAS BORROWING FOR THE APRIL 1 BUDGET SPEECH.

5. COMMENT: ALTHOUGH ORANIKA PAID LIP SERVICE TO NIGERIA'S  
ABILITY TO FUND ITS DEVELOPMENT PLAN INTERNALLY, EMBASSY  
VIRTUALLY CERTAIN THAT MULTIALTERAL AND BILATERAL SOURCES  
INCLUDING EX-IM WILL BE APPROACHED SOON. ALSO BELIEVE THAT  
FMG WILL ENTER FOREIGN CAPITAL MARKETS THIS YEAR TO SECURE  
AT LEAST PARTIAL FUNDING FOR CERTAIN PROJECTS IN CY 1978,  
E.G. \$2.5 BILLION LNG PLANT WHICH IS NOT LIKELY TO BE FUNDED  
BY MULTILATERAL OR BILATERAL SOURCES.  
EASUM

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## Message Attributes

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**Channel Indicators:** n/a  
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**Concepts:** LOANS, DEVELOPMENT PROGRAMS  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
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**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977LAGOS00991  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Original Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 LAGOS 13716  
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**Review Release Event:** n/a  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
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EO Systematic Review  
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